



April 22, 2004

BY OVERNIGHT MAIL

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd floor
Boston, MA 02110

Re: D.T.E. 99-60 - Fitchburg Gas and Electric Light Company,
Default Service Tariff Filing M.D.T.E. No. 103 for June 1,
2004

Dear Ms. Cottrell:

Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil") hereby submits to the Department of Telecommunications and Energy ("Department") the results of its competitive solicitation for Default Service supply for the period beginning June 1, 2004, and its approach to compliance with the Renewable Portfolio Standards ("RPS") requirements. Also enclosed please find an original and nine (9) copies of Unitil's Motion for Protective Treatment. Under separate cover, Unitil is also submitting new tariffs reflecting retail rate changes resulting from this new Default Service supply.

As discussed in more detail in the attached Default Service Bid Evaluation Report ("Report"), Unitil sought fixed monthly pricing for 50 percent of the residential and small general service customers' load for the 12 months beginning June 1, 2004, and fixed monthly pricing for the entire regular and large general service and outdoor lighting customers' load for the three month period beginning June 1, 2004, as required by the Department's orders in D.T.E.02-40-C. As noted in my letter to the Department of March 9, 2004, the term for the residential and small general service solicitation encompasses the end of the standard offer service ("SOS") period which ends on February 28, 2005. On March 1, 2005, customers remaining on SOS are expected to be reclassified to Default Service. In order to address this reclassification and the significant difference in default service loads that will be served before and after the SOS termination date, Unitil separately solicited, evaluated and awarded bids for residential and small general service customers for the nine months of June 2004 through February 2005, and for the 3 months of March 2005 through May 2005.

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In addition, Unitil proposed new contract language to bidders during the solicitation process to address concerns regarding the risk of legislative change associated with the end of the SOS period. A copy of the language offered is at Tab D of the Report.

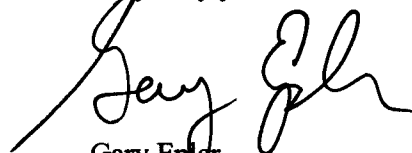
Unitil continues to plan to purchase Renewable Energy Certificates ("RECs") as a separate product from the market for this Default Service period and therefore did not request that interested suppliers include along with their bids the provision of RECs for compliance with the Renewable Portfolio Standards ("RPS") in 225 CMR 14.00. The Bid Evaluation Report discusses Unitil's approach to compliance with the RPS regulations, as required by the Department's order in D.T.E. 02-40-B.

Unitil submits that it has complied with the Department's competitive bidding requirements by broadly disseminating its RFP electronically to each member of the NEPOOL Markets Committee as well as distributing its RFP to a list of parties who have expressed interest in Unitil's solicitations. From this outreach effort, Unitil received three sets of bids in response to the RFP: one for its residential and small C&I customers for the nine month period June 1, 2004, through February 28, 2005; one for residential customers for the three month period March 1, 2005, through May 31, 2005; and one set of bids for its medium and large C&I customers for the three month period of June 1, 2004, through August 31, 2004. Unitil then evaluated and ranked the bids, and named the winning bidders.

This filing has been made as part of D.T.E. 99-60, based on the Department's past practice. Pursuant to the Motion for Protective Treatment, Unitil is filing with your office one confidential copy of the evaluative information relative to its solicitation (in particular Tab B of the filing).¹ All other recipients, with the exceptions noted, will receive redacted copies of the filing.

Please do not hesitate to contact me should you have any questions about this filing.

Very truly yours,



Gary Epler
Senior Regulatory Counsel

Enclosure

cc: Kevin Brannelly, Director, Rates and Revenue Requirements

¹ Unitil is also providing complete copies of this filing containing the confidential information to the Attorney General (two copies) and the Division of Energy Resources (one copy), with whom Unitil has entered into Nondisclosure Agreements for D.T.E. 99-60.

Alexander Cochis, Asst. Attorney General (with confidential material)
Robert Sydney, General Counsel, Division of Energy Resources (with
confidential material)
Ronald LeComte, Director, Electric Power Division
Jeanne Voveris, Esq., Hearing Officer
Barry Perlmutter, Electric Power Division
David McKeehan, President, No. Central Mass. Chamber of Commerce
D.T.E. 99-60 Service List

**THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

Fitchburg Gas and Electric Light Company Default)	
Service Tariff Filing M.D.T.E. No. 103 for)	
June 1, 2004)	

D.T.E. 99-60

**MOTION OF FITCHBURG GAS AND ELECTRIC
LIGHT COMPANY FOR PROTECTIVE TREATMENT**

I. INTRODUCTION

Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil") hereby requests that the Department of Telecommunications and Energy ("Department") grant it protection from public disclosure, in accordance with G.L. c. 25, §5, for certain confidential, sensitive and proprietary information submitted in this proceeding. Simultaneously with this Motion, Unitil is submitting the results of its solicitation for Default Service supply and supporting documentation for service effective June 1, 2004 and rendered through November 30, 2004. Tab B to that filing contains competitively sensitive cost and procurement information. Unitil is also filing under separate cover its Revised Tariff to implement its new Default Service Rates, Attachment 1 of which contains the confidential wholesale prices bid in response to Unitil's Request for Proposals ("RFP"). The original and one copy of the confidential material (Tab B and Attachment 1) has been provided to Secretary Cottrell for filing, and two copies have been provided to the Attorney General and one copy to the Division of Energy Resources ("DOER") under the terms of pre-existing Non-Disclosure Agreements.

For the following reasons, Unitil requests that the confidential results of its Default Service RFP contained in Tab B and Attachment 1 be protected from public disclosure.

II. LEGAL STANDARD

The Department may protect from public disclosure confidential business information in accordance with G.L. c. § 5D, which states in part that:

[T]he [D]epartment may protect from public disclosure, trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter. There shall be a presumption that the information for which such protection is sought is public information and the burden shall be upon the proponent of such protection to prove the need for such protection. Where such a need has been found to exist, the [D]epartment shall protect only so much of the information as is necessary to meet such need.

In interpreting the statute, the Department has held that:

[T]he burden on the company is to establish the need for protection of the information cited by the company. In determining the existence and extent of such need, the Department must consider the presumption in favor of disclosure and specific reasons why disclosure of the disputed information benefits the public interest.

Berkshire Gas Co., D.P.U. 93-187/188/189/190, p. 16 (1994).

The Department has previously granted protective treatment for sensitive market information, including price terms:

The Department will continue to accord protective status when the proponent carries its burden of proof by indicating the manner in which the price term is competitively sensitive.

Standard of Review for Electric Contracts, D.P.U. 96-39, at 2, Letter order (August 30, 1996). See also Colonial Gas Co., D.P.U. 96-18 at 4 (1996) (granting protective

treatment for pricing information including all “reservation fees or charges, demand charges, commodity charges and other pricing information”).

The Department has also recognized that competitively sensitive terms in a competitive market should be protected and that such protection is desirable as a matter of public policy:

The Department recognizes that the replacement gas purchases . . . [which] are being made in a substantially competitive market should allow LDC’s to obtain lower gas prices for the benefit of their ratepayers. Clearly the Department should ensure that its review process does not undermine the LDC’s efforts to negotiate low cost flexible supply contracts for their systems. The Department also recognizes that policy of affording contract confidentiality may add value to contracts and provide benefits to ultimate consumers of gas, the LDC’s ratepayers, and therefore may be desirable for policy reasons.

Berkshire Gas Co., D.P.U. 93-187/188/189/190, p. 20 (1994).

III. CONFIDENTIAL AND COMPETITIVELY SENSITIVE INFORMATION SHOULD BE PROTECTED FROM PUBLIC DISCLOSURE

Unitil seeks Department protection from public disclosure for: (1) the data in Tab B attached to Unitil’s Default Service supply solicitation filing, in particular, the identity of the suppliers and the pricing data, the economic analysis of the bids received (both price and non-price terms); and (2) the wholesale pricing information in Attachment 1 to the Revised Tariff filing. The final Default Service contracts contain Unitil’s assurances that Unitil would treat all bid and contract information (particular with regard to name and price) confidential. Throughout the bidding process, the suppliers also relied on Unitil’s commitment to maintain the confidentiality of the details of their individual bids.

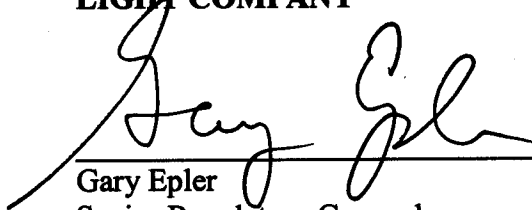
Moreover, although Unitil recognizes that over time, the identity of the suppliers and the pricing information may be disclosed, the harm to the participants in Unitil's RFP would be mitigated by maintaining the confidentiality of the data for as long as possible. Disclosure of the confidential supplier information would also be detrimental to the broader competitive market. The public disclosure of the pricing of Unitil's default service, if a delta from a competitive market were known, could jeopardize Unitil's competitive position and may inhibit the ability of Unitil to minimize the price paid for Default Service by its customers in the future.

Confidential treatment of the identity of the contracting party and the detailed pricing information is appropriate to protect the Company's credibility among suppliers. As the pool of prospective suppliers is small, it could be further reduced if the market perceives greater risk from participating in future Unitil RFPs due to confidentiality concerns. Therefore, the obligation to keep the information confidential is critical to preserve the robust nature of the ongoing auction process, and to ensure continued participation by the maximum number of interested suppliers. It will optimize the Company's ability to receive the best possible contract terms for default for its customers.

WHEREFORE, for the reasons stated above, Unitil requests that the Department grant its motion to protect from public disclosure the confidential, competitively sensitive and proprietary information regarding default service supply.

Respectfully submitted,

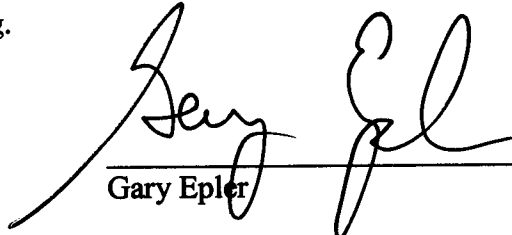
**FITCHBURG GAS AND ELECTRIC
LIGHT COMPANY**

A handwritten signature in black ink, appearing to read "Gary Epler", written over a horizontal line.

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Certificate

I certify that copies of this Motion for Protective Treatment have been served this 22nd day of April, 2004, via First Class U.S. Mail, upon each entity identified on the Department's service list for this proceeding.

A handwritten signature in black ink, appearing to read "Gary Epler", written over a horizontal line.

Gary Epler